

ceeding five hundred millions of dollars, the principal and interest whereof shall be free from taxation, and for the payment of the interest thereon the entire nett receipts of any export duty heretofore laid on the value of all cotton, tobacco and naval stores, which shall be exported from the Confederate States, and the nett proceeds of the import duties now laid, or so much thereof as may be necessary to pay annually the interest, are hereby specially pledged; *provided*, that the duties now laid upon import, and hereby pledged, shall hereafter be paid in specie, or in sterling exchange, or in the coupons of said bonds.

SEC. 7. That the Secretary of the Treasury is hereby authorized, from time to time, as the wants of the treasury may require it, to sell or hypothecate for treasury notes said bonds, or any part thereof, upon the best terms he can, so as to meet appropriations by Congress, and at the same time reduce and restrict the amount of the circulation in treasury notes within reasonable and safe limits.

SEC. 8. The bonds authorised by the 6th section of this act may be either registered or coupon bonds, as the parties taking them may elect, and they may be exchanged for each other under such regulations as the Secretary of the Treasury may prescribe. They shall be for one hundred dollars or some multiple of one hundred dollars, and shall, together with the coupons thereto attached, be of such form and of such authentication as the Secretary of the Treasury may prescribe. The interest shall be payable half yearly, on the first of January and July in each year—the principal shall be payable not less than thirty years after their date.

SEC. 12. That any State holding Treasury notes, received before the time herein fixed for taxing said notes, shall be allowed until the 1st day of January, eighteen hundred and sixty five, to fund the same in six per cent. bonds of the Confederate States, payable twenty years after date, and the interest payable semi-annually. But all Treasury notes received by any State, after the time fixed for taxing the same, as aforesaid, shall be held to have been received diminished by